

## BURLINGTON



## DEPARTMENT

585 Pine Street • Burlington, Vermont 05401-4891  
802/658-0300 • 802/865-7386 (TTY/voice) • Fax: 802/865-7400

January 11, 2008

Mrs. Susan Hudson, Clerk  
Vermont Public Service Board  
112 State Street  
Montpelier, Vermont 05602

Re: Response to Board's staff Interim Report to the Vermont Public Service Board (PSB) on the Energy Efficiency Utility Structure Working Group Draft dated January 4, 2008.

BED appreciates the opportunity to comment on the draft PSB staff report regarding the discussion of the energy efficiency utility structure going forward. BED applauds Board staff for preparing an accurate and thorough summary of the workshop proceedings to date.

BED agrees with the report's characterization of likely areas of consensus among parties to date, and also with the segregation of those issues on which there remain differences among the parties. BED feels the report's assessment of consensus is conservative, and supports the proposal made this week by the DPS to "take stock" of that consensus around structural elements proposal in report appendix G. We agree that this consensus can be easily clarified by the next steps proposed for the workshop process; certainly well before the group "concludes its discussions" as is stated on p. 6 of the draft report.

BED also believes that no further statutory authority is required for the Board to take action on consensus elements of the proposed structure that are likely to emerge soon (BED still plans to file comments regarding the Board's legal authority to do so prior to January 17<sup>th</sup>). It is BED's opinion that there is no difference in the degree of compliance with existing statute suggested by the proposed appointment structure versus the existing EEU paradigm. If a contested case is necessary to fully air the proposed structural elements, achieve closure on the open elements of the discussion, and to assure compliance with existing statute, BED does not view this as problematic. BED agrees that an opinion from the Secretary of Administration concerning the PSB's authority to implement the draft restructuring proposal (Appendix G) absent additional legislation would be helpful to all parties.

Other specific comments on the draft document:

On page 5, the reference to BED delivering EEU services could note that BED currently delivers certain EEU services in Burlington in close cooperation with Efficiency Vermont.

On page 13: The discussion on the application of the statutory provisions of Title 30 to an EEU could be clarified by the following italicized insertion: "...any appointed EEU *that is not a Title 30 Company* would be subject to specific sections of Title 30...", or similar language. This clarifies the ongoing presumption that BED is subject to all the provisions of a fully regulated company under Title 30, including its provision of EEU services.

On page 3, and later elaborated under *Compensation*, it is stated that an EEU could receive 2 types of compensation, similar to the current paradigm. It may be worth noting that BED receives only cost reimbursement for its EEU activities (including those associated with administering ISO Forward Capacity Market activities).

On page 14, under *Performance Based*: As for setting of budgets and long-term resource plans, BED would propose to continue to identify the long-term opportunities and planned projectory of efficiency services in Burlington as a part of its IRP process. 3-year budgets would continue to be developed in consultation with the DPS and/or the newly described “EEU Facilitator” mentioned in Appendix G, similar to the current structure.

On page 19: BED agrees that the Board has authority to extend the current EEU contract, and BED would be pleased to provide interim budget and performance information as needed to fill any gap prior to the conclusion of an appointment process.

On page 20: Re: multiple entities participating in the FCM: the report should note that BED, as a long-term ISO market participant, participates on its own behalf in this activity.

On page 22: It’s not clear how the PSB would “contract” with an “EEU facilitator” as a replacement to the current contract administrator. While the function itself and a relationship to the Board would clearly be needed, would it necessarily be contractual, or would this become a role of the DPS, or other?

Finally, and perhaps this is an editorial comment on BED’s part, as I have not reviewed the transcript of the workshop proceedings, only my notes: Concern expressed in the final paragraph about EEC funding should perhaps include the word “solely”, as in: “...some participants have expressed concern with continuing to fund the EEU *solely* via the Energy Efficiency charge (BED’s insertion italicized). BED’s understanding of such comments by parties to this proceeding is that they emphasize a **shift** in balance of funding sources, not the **elimination** of the source that was established by the Vermont Legislature.

Thank you again for an excellent summary, and the opportunity to weigh in in some detail.

Tom Buckley  
Manager, Customer & Energy Services  
Burlington Electric Department  
802-865-7339  
tbuckley@burlingtonelectric.com